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CAPITAL IMPROVEMENTS BUDGET ANSON COUNTY, NORTH CAROLINA

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16. Abstracts The Capital Improvements Budget is a comprehensive list of improvements needed to be undertaken by Anson County within the coming five-year period (1973-78). Projects scheduled in this budget were obtained primarily from the <u>Community Facilities Plan</u> and <u>Land Development Plan</u> and include construction, renovation and expansion of public buildings, equipment for public safety and recreation. These public improvements have been scheduled for implementation according to need and the county's financial capacity.			
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INTRODUCTION

Today's elected officials in local government are faced with strong competition for the tax dollar. On one side is the taxpayer insisting that more should be accomplished with present funds. On the other side is the spending agency saying that the tax yield is inadequate to provide adequate services.

The Capital Improvements Budget is one tool Anson's officials and administration need at their disposal to assist them in meeting these requests in accordance with the county's ability to pay. In addition, the capital budget is a tool used to translate the Land Development Plan and Community Facilities Plan into reality.

The fact that Anson County is designated as an "EDA" (economically distressed area) county increases the need for a capital improvements budget, showing estimated costs, methods of financing and time schedule of the comprehensive listing of needed capital improvements set forth in the Community Facilities Plan and Land Development Plan. Some other purposes (and advantages) of programming capital expenditures are:

1. Stabilization of the economic climate of the county is aided by helping investors, business and industrial managers and property owners more accurately gauge the future physical development and financial obligation of Anson County.
2. Aids in assuring that the projects will be carried out in accordance with both predetermined priorities of need and the county's ability to pay for them.
3. Helps protect the county against the influence of groups seeking to advance interests irrespective of the needs of the county.
4. Necessary tax revisions and required bond referendums can be foreseen and provisions can be made for the study of future tax revisions and the issuance of bonds.
5. Facilitates coordination of the county's programs with those of other governmental agencies, and enables the various county departments to more efficiently schedule their operations, purchases of major equipment items and expansion of facilities.
6. Lengthens the time available for proper technical design of needed facilities.
7. Permits the advance acquisition of properties needed for improvements by purchase in a favorable market of the retention of tax delinquent land or unused county-owned property.

8. Enables the taxpayer to see what services he is receiving for his tax dollars and provides him with information on the total needs of the county so that he may intelligently vote on bond referendums.

FINANCIAL ANALYSIS

No attempt is being made herein to project financial trends or anticipated revenues. The factors associated with such are too diverse to project (with any degree of accuracy) the variables involved in a complete financial analysis. The inflationary wage spiral, needed capital outlays, operating expenses, debt service, continued increase of assessed valuation on taxable properties, etc., present too many complexities to permit reasonable projections.

FINANCING PUBLIC IMPROVEMENTS

To obtain public improvements, ingenuity coupled with sound financial policies should be exercised. While there is no ideal way to finance all capital improvements, certain methods are best suited to particular needs. Listed below are some suggested sources and methods of acquiring capital improvements.

Bonding

Anson's officials, as a means of financing needed public improvements, have, on several occasions, issued general obligation bonds to help meet these needs. The oldest bonds yet to be retired are School Building Bonds issued in 1958. Table A lists the outstanding general obligation bonds up to July 1, 1973, at which time the total outstanding debt will be \$2,426,000.

Outstanding General Obligation Bonds Table A July 1, 1973, Anson County, N. C.		
Year		
Issued	Type of Bond	Outstanding
10/1/53	School Building Series A	195,000
10/1/53	School Building Series B	230,000
5/1/60	School Building	290,000
11/1/65	School Building	710,000
12/1/68	Public Hospital	540,000
12/1/68	Courthouse Renovation	30,000
6/1/69	Water Works Imp. Bond Series	431,000
	Total	2,426,000
	Yearly Principal	220,940

Source: Local Government Commission

General Obligation Bonds

General obligation bonds are financed from property taxes, through benefit assessment, or by utility revenues. The assessed valuation of property in the county is pledged as security toward payment of general obligation bonds. These bonds are, therefore, tax liens on all assessable property in the county.

The legal general obligation bonds debt for counties within North Carolina will become eight per cent of the appraised value as of July 1, 1973, instead of the present eight per cent of the assessed valuation.

Revenue Bonds

Certificates called revenue bonds produce income through both principal and interest. Expenses can often be met exclusively from the earnings of a new facility (e.g., water plant). Interest rates on this type of bond depend on the type of facility financed and its economic feasibility.

State law regulates revenue bond sales. The maximum length that bonds can run is 40 years, and the maximum rate of interest is not set. Revenue bonds do not count against the county's legal bonding capacity in that they eventually pay for themselves.

While revenue bonds are "outside" the debt limit, revenues must be sufficient to cover payment of the bonds after all operating costs have been met. It is sometimes necessary to increase user charges to meet these conditions. Table B lists Anson's outstanding revenue bonds.

Table B Outstanding Revenue Bonds		
Year		Outstanding
Issued	Type of Bond	Amount
1/1/68	Water Works Revenue Series	770,000
1/1/68	Water Works Revenue Series	772,000
	Total	1,542,000
	Yearly Principal	77,450

Source: Local Government Commission

Current Revenues

In addition to general operating costs, current revenue funds are the major source of capital improvements in the annual budget. Financing from current revenue is a pay-as-you go policy. Disadvantages occur when expenditures are of comparatively large amounts. This results in unusual fluctuations in the tax rate which could be eliminated by distributing the cost over several years with long-term bonds. Sometimes, user charges such as those for water are increased so that capital improvements can be financed from current revenues.

State and Federal Aid or Grants

State and federal units of government provide monetary aid to counties. Federal Revenue Sharing has become available to counties for capital improvements in specified areas.

Private Gifts

Bequests, grants, donations and private subscriptions of land, money, buildings or equipment are sometimes made to counties. Several examples may illustrate possibilities: an estate or trust may specify money or land for a public park; a service club may raise money to provide facilities for a public park or other public use. Care must be exercised, however, so that a particular gift will not become a burden to the county. A piece of land donated to the county that needs an excessive amount of money invested to develop the area may not necessarily be free. In the long run, it may be cheaper for the county to purchase land easier and cheaper to develop.

METHODOLOGY

The capital improvements budget is based on the assumption that projections for future revenues and operating expenditures of county government can be calculated from past trends. In developing the capital improvements budget for Anson County, information on county revenues and expenditures from 1964 to the present time was gathered.

Revenues were identified by sources, including the following categories: real and personal property tax, non-property taxes, state and federal aid, and intangibles taxes. Likewise, data on county expenditures were gathered and grouped by functions, which included general county administration, public safety, health, social services, library, school current expenses and the technical institute, as well as school and non-school debt service.

From these figures, projections for future revenues and operating expenses were made. An arithmetic projection for each category was given.

The arithmetic method of projection asserts that a given numerical change in revenues or expenditures from one point in time to another as exhibited in the past is the best means of extrapolating a future trend. In several cases, the projected figures reflected sudden increases or decreases in expenditures and revenues, which were the result of nonrecurring expenses, or incomplete 1972-73 estimated figures. Where this occurred, projections for future revenues and operating expenditures were used which minimized abrupt fluctuations and maintained a steady and modified rate of increase.

Also considered in determining future projections were anticipated major changes in policy or responsibility, such as the termination of OEO agencies. Projections were modified to reflect these future changes.

CURRENT POLICIES

In past years, Anson County has issued bonds in order to finance major capital improvements. Currently, the county's total outstanding debt is \$2,426,000 (\$1,425,000 school and \$1,001,000 non-school). (Not included within the debt limitation are Anson's outstanding revenue bonds (water works) of \$1,542,000.) The total outstanding debt of \$2,426,000 is approximately 41% of the county's debt limit using the assessed valuation; however, the outstanding debt amounts to only 21% of the county's debt limitation when using the appraised valuation that will become effective as of July 1, 1973.

Based upon past trends of assessed values, the following table indicates projections of appraised valuation and debt limit through 1978:

Table C Appraised Valuation and Debt Limit		
Fiscal		
Year	Appraised Valuation	Debt Limit
1973-74	\$146,274,434	11,701,954.72
1974-75	146,774,434	11,741,954.72
1975-76	147,274,434	11,781,954.72
1976-77	147,774,434	11,821,954.72
1977-78	148,274,434	11,861,954.72

Source: N. C. General Statutes 159-48

Based on the arithmetic method, fluctuations and instability of Anson's tax valuations, the appraised valuation was arbitrarily increased by \$50,000 per year.

Investment bankers recommend limiting annual debt service to no more than 25% of the annual operating cost. Since Anson County's total expenditures for 1972-73 were slightly over \$1,000,000, the \$226,390 allocated for debt service is beyond the recommended 25% limitation. Projected debt service through 1978 is summarized in the following table.

Table D Outstanding Principal and Annual Requirements			
Fiscal	Total Outstanding		Principal and
Year	Principal	Principal	Interest
1973-74	2,426,000	137,000	220,940
1974-75	2,289,000	137,000	215,990
1975-76	2,152,000	138,000	211,977
1976-77	2,014,000	138,000	206,927
1977-78	1,876,000	138,000	202,127

Source: Local Government Commission

The projections for operating expenditures through 1978 also indicate that the anticipated debt service will be almost 25% of the annual operating budget in fiscal year 1973-74. Any additional bonding at this time would place the debt service beyond the county's ability to repay the debt without an increase in taxes.

Table E Percentage of Annual Operating Budget (Projected)			
Fiscal Year	Projected Operating Cost	Debt Service (Principal & Interest)	Per Cent
1973-74	1,068,000.70	220,940	20.7
1974-75	1,093,050.70	215,990	19.8
1975-76	1,119,037.70	211,977	18.1
1976-77	1,143,987.70	206,927	17.9
1977-78	1,169,187.70	202,127	17.3

Source: Local Government Commission

In retiring bonds, Anson County has established the practice of paying off a large sum in the first years, with the annual requirements decreasing in later years. Anson is well within its bonding capacity based on 8% of the appraised valuation; however, the bond indebtedness compared with the operating budget would not create a favorable climate for investors.

The following table gives the assessed value, tax rate and tax levy since 1964:

Table F Past Trends			
Fiscal Year	Assessed Value	Tax Rate per \$100	Tax Levy
1964-65	\$39,683,484	\$1.50	\$634,699.96
1965-66	40,295,604	1.60	686,613.73
1966-67	42,267,490	1.60	729,799.78
1967-68	43,398,003	1.60	707,401.28
1968-69	45,213,418	1.60	736,233.56
1969-70	47,221,334	1.98	948,740.23
1970-71	69,640,608	1.50	1,060,839.96
1971-72	72,887,217	1.46	1,079,880.73

Source: Audit Reports and County's Treasurer

The tax rate changed four times within eight years. By taking such action, the county risks confusion and disapproval among local citizens, since the rate is likely to change abruptly. In addition, the county is losing funds which are needed for public improvement projects. By maintaining a relatively stable tax rate, the county would not only promote predictability and public acceptance, but also would be able to establish a capital reserve fund from the surplus for necessary projects instead of issuing numerous bonds.

To further analyze Anson County's ability to finance capital improvements, the following factors should also be considered:

1. Anson's projected total revenues as compared with projected bond indebtedness.
2. Bond limitations.
3. General Revenue Sharing; and
4. Anson County's "EDA" (Economically Distressed Area) status.

Table G indicates projected revenues, General Revenue Sharing and the percentage the yearly payments are of the projected revenues.

Table G		Projected Trends		
Fiscal Year	Projected Revenues	Projected Revenues plus Anticipated Revenue Sharing	Yearly Principal and Interest	Per Cent of Total Revenue
1971-72	\$1,004,254.96		231,840	23.8
1972-73	1,054,254.96	1,567,501.96	226,390	14.6
1973-74	1,104,254.96	1,604,246.96	220,940	13.8
1974-75	1,154,254.96	1,654,246.96	215,990	13.0
1975-76	1,204,254.96	1,704,246.96	211,977	12.7
1976-77	1,254,254.96	1,754,246.96	206,927	11.1
1977-78	1,304,254.96	1,804,246.96	202,127	10.8

Estimated revenues were projected forward by \$50,000 per year using fiscal year 1971-72 as a base. The arithmetic method was the base for projections.

Source: Audit Reports and the County Treasurer.

If the projected revenues prove to be effective, Anson will be able to finance some of the capital improvements from General Revenue Sharing funds. The generally accepted "rules of thumb" used in determining the proper relationship of annual debt service requirements to total annual revenues are: (1) debt service should not exceed 25% of the operating budget; and (2) the gross debt ratio to full valuation should not exceed 12% for rural counties.

A final factor that should be considered is the Public Works and Economic Development Act of 1965, Public Law 89-136, that was enacted to "provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substandard and persistent unemployment and underemployment in economically distressed areas and regions." The Secretary of Commerce is authorized to make direct grants up to 50% of the development costs of such projects. A 50% federal and a 25% state assistance grant would enable Anson County to finance certain capital improvements and maintain yearly bond payments less than 25% of the operating budget.

Recommendations for Improving the Financial Capacity of Anson County

1. The county should establish a capital reserve fund. Through this program, the county can tax ahead for anticipated public improvements and thus eliminate or lessen the need for borrowing. This program permits the combination plan of reserve fund and borrowing for those facilities for which adequate funds cannot be acquired strictly through a capital reserve fund. The capital reserve fund may be deposited with the State Treasurer, to be invested and held until time for construction of scheduled improvements.
2. The county should continue its policy of financing reoccurring improvements through the general fund and more costly non-reoccurring projects through bond issues and state or federal funds.
3. The county should attempt to utilize state and federal funds in providing public facilities as recommended in this budget.
4. The county should adopt the policies of: retiring 25% of the principal of any bonds issued in the future within the first five years; utilizing a twenty-year amortization period; maintaining, insofar as possible, a stable tax rate, instead of decreasing it whenever revenues are likely to increase. Surplus resulting from this should be channeled into a capital reserve fund.

CAPITAL IMPROVEMENTS BUDGET

The following section deals with the programming of the proposed public improvements. Each individual project is listed and includes a statement of the estimated total cost and local cost, and the year(s) when it is scheduled for action. Each project is described and a justification for each is stated, with the source of the proposal. Community Facilities Plan (CFP), Land Development Plan (LDP) included. Also explained are programming and elements, relationship to other projects, operating budget effect, and plan of financing.

In programming these proposed improvements, an effort was made to schedule capital expenditures in addition to projected annual operating expenses so that the total amount of the expenditures would allow a surplus when compared with the projected annual revenues. This surplus would then be channeled into a capital reserve fund as recommended to finance future public improvements.

In some cases, allowances were made for additional expected operating expenses when calculating total annual expenditures. Although these extra costs are not capital expenditures since they reoccur, they do affect the total budget. Therefore, an effort was made to include them

in the total annual operating budget to ensure that sufficient allowances for operating costs were made. Where these costs are included in the annual operating budget, the yearly amounts are specified both in the total five-year budget and in each individual project listing under the category "Operating Budget Effect." Examples of these expenses are \$4,500 landfill operations, \$7,000 for employment of a Civil Defense Director (1976-77), \$3,000 maintenance of county recreation areas, and \$20,000 capital reserve.

When utilization of state and federal funds for projects is recommended it is assumed that the maximum grant will be received; however, in Anson's situation ("EDA") and the urgency of the two major proposed capital improvements (countywide sewerage system and additional filtration capacity), it is hoped that the federal and state governments will provide enough funds to negate the necessity of issuing bonds. As an alternative, an increase in water rates will aid in financing the proposed improvements at the water plant.

SUMMARY

This budget summarizes Anson's financial status and ability to provide capital improvements in the future. The capital improvements are important to the citizens of the county, but they rank second in the priority list as compared to the proposed countywide sewerage system and water plant improvements. The proposed capital items may be deleted from this report at any time to provide additional monies to finance the higher priority capital items. County officials have expressed their desire to use General Revenue Sharing funds to finance proposed capital items. This process will be used if the county receives matching funds from the federal and state governments. (The issuance of bonds within the next five years is unauthorized). However, there are several projects such as jail renovations, hospital expansion and the steady growth of the recreation program that will become a necessity by 1978. These are only a few items that constitute the Public Improvements Program (see Community Facilities Plan).

The following capital budget items are those most urgently warranted (after water and sewer) needs. Therefore, these should be viewed in context with those having top priorities. Furthermore, the Capital Improvements Budget should be annually reviewed and revised as needed. Only by this method will the county be able to realistically program and implement capital improvements.

ANSON COUNTY, NORTH CAROLINA							
SUMMARY OF PROJECTS - CAPITAL IMPROVEMENTS BUDGET, 1974-78							
Department	Total	Federal Grant	State Grant	County Funds	Fiscal Year		
					1973-74	1974-75	1975-76 1976-77 1977-78
Administration	84,300			84,300	36,500	40,000	7,800
Public Works	N/A*						
Public Safety	72,100			72,100	14,000	14,000	14,000
Education	100,000			100,000	20,000	20,000	20,000
Recreation	207,000	95,000		112,000	5,000	3,000	3,000 98,000
Mental Health	5,000			5,000		5,000	
Total	468,400	95,000		373,400	75,000	82,000 39,100 44,800	132,000

*The county is having a feasibility study prepared for the two capital improvements listed under Public Works. These projects (countywide sewerage system and additional filtration capacity) are important to the future growth of Anson County; therefore, the local officials are minimizing other capital improvements in order to finance the Public Works items.

<u>Department</u>	<u>Project Title</u>						
County							
Administration	County Office Building	1 (CA 1)					
Project	Grants	Prior	Budget Year				
Estimate	Available	Auth.	1973-74	1974-75	1975-76	1976-77	1977-78
Project							
Cost: \$40,000	0	0	40,000				

1. Project Description

A new county office building should be constructed near the Courthouse. This construction should be the renovation of an existing vacant structure within the vicinity of the Courthouse.

2. Project Justification

Current office space is inadequate and location of county offices on different floors of the Courthouse hinders the efficiency of county government activities (CFP).

3. Element: County office building \$40,000
4. Operating Budget Effect: None
5. Plan of Financing: Current revenues

<u>Department</u>		<u>Project Title</u>						
County								
Administration		Landfill Program			(CA-2)			
Project	Grants	Prior	<u>Budget Year</u>					
Estimate:	Available	Author.	1973-74	1974-75	1975-76	1976-77	1977-78	
Project								
Cost: \$35,000	0	35,000						

1. Project Description

A county landfill program will be established according to the N. C. Board of Health's plan which calls for landfill sites and a collection system.

2. Project Justification

The county currently rents a landfill site which is improperly covered and maintained (CFP).

3. Elements: One used bulldozer, \$35,000
Two part-time employees to oversee the landfill operations
Approximately \$4,500 yearly
4. Operating Budget Effect: Increase of \$4,500 yearly
5. Plan of Financing: Current Revenue
6. Long-Range Improvement: Purchase present landfill site to be used as a recreation area



<u>Department</u>	<u>Project Title</u>					
County						
Administration	Automobile - Building Inspector (CA-3)					
Project	Grants	Prior	Budget Year			
Estimate	Available	Author.	1973-74	1974-75	1975-76	1976-77 1977-78
Project						
Cost:	\$1,500		1,500			

1. Project Description

An automobile will be purchased for use by the County Building Inspector.

2. Project Justification

It is necessary for the Building Inspector to have an automobile in order to accomplish his task.

3. Elements: Used state car, approximately \$1,500

4. Operating Budget Effect: Increased maintenance expenses

5. Plan of Financing: Current revenue

6. Long-range improvement: Replace automobile

<u>Department</u>	<u>Project Title</u>					
County A						
Administration	Civil Defense Director (CA-4)					
Project	Grants	Prior	Budget Year			
Estimate:	Available	Auth.	1973-74	1974-75	1975-76	1976-77 1977-78
Project						
Cost:	\$7,800		7,800			

1. Project Description

The county needs a Civil Defense Director who will also assume the role of County Fire Marshall.

2. Project Justification

Due to unanticipated storms, floods, ware and other hazardous conditions, the county needs an employee to coordinate different Public Health/Safety Agency actions (hospitals, Health Department, Rescue Squad, etc.)

3. Elements: The employment of a civil defense director and/or fire marshall

4. Operating Budget Effect: an increase of \$7,800 as of fiscal year 1976-77

5. Plan of Financing: current revenue

<u>Department</u>	<u>Project Title</u>
Public	
Works	Water Plant - Additional filtration capacity (PW 1)
Project	Grants Prior Budget Year
Estimate:	Available Auth. 1973-74 1974-75 1975-76 1976-77 1977-78
Project	
Cost: NA	*

1. Project Description

The water plant needs additional filtration capacity to provide better services to residents in Anson County.

2. Project Justification

When improvements are made to the water plant, less money will be spent in purchasing of chemicals, etc.

3. Elements: Additional filtration capacity

4. Operating Budget Effect: None

5. Plan of financing: EDA grant from the Federal government (50%); state government (25%); county government (25%)

(General Revenue Sharing Funds)

*A cost analysis has not been prepared at this time.

<u>Department</u>	<u>Project Title</u>
Public	
Works	Countywide Sewerage System (PW2)
Project	Grants Prior Budget Year
Estimate:	Available Auth. 1973-74 1974-75 1975-76 1976-77 1977-78
Project	
Cost: NA	*

1. Project Description

Provide a countywide sewerage system.

2. Project Justification

The towns of Anson County are having serious problems with their sewerage systems. It is more economic for the county to provide a system rather than the county's economically distressed towns (CFP).

3. Elements: Countywide sewerage system

4. Operating Budget Effect: None

5. Plan of Financing: EDA grant of 75% of cost (Federal)
15% of cost (State)
10% of cost (county)

If Federal and State funds are acquired to equal estimated percentage, the county plans to establish a Capital Reserve Fund using revenue sharing money instead of issuing bonds.

<u>Department</u>	<u>Project Title</u>						
Public							
Safety	Automobiles - Sheriff (PS 1)						
Project	Grants	Prior	Budget Year				
Estimate	Available	Auth.	1973-74	1974-75	1975-76	1976-77	1977-78
Project							
Cost: \$70,000	0	0	14,000	14,000	14,000	14,000	14,000

1. Project Description

The automobiles for the Sheriff's Department should be replaced on a staggered basis. Included within the proposal are two additional cars - one in 1974-75 and one in 1976-77.

2. Project Justification

This project will give the county four new cars to patrol the area. Each year the older cars should be driven by the Sheriff and non-patrolling officials (CFP).

3. Elements: Four automobiles (@\$3,500) 1973-74; 1974-75; 1975-76; 1976-77; 1977-78

4. Operating Budget Effect: This system would be financially feasible for the county and would replace their present policy of purchasing seven cars at once; however, maintenance of vehicles will increase.

5. Plan of Financing: Current Revenue

6. Long-Range Improvements: The jail facilities will need improving in the future.

<u>Department</u>	<u>Project Title</u>						
Public							
Safety	Rural Fire Departments (PS 2)						
Project	Grants	Prior	Budget Year				
Estimate:	Available	Auth.	1973-74	1974-75	1975-76	1976-77	1977-78
Project							
Cost: \$2,100					2,100		

1. Project Description

The county should give a contribution of \$300 to each Volunteer Fire Department to assist in purchasing two-way radio equipment for trucks.

2. Project Justification

This will help subsidize the inadequate telephone system in the county and also aid in providing countywide communications.

3. Elements: \$300 to each of seven VFD's

4. Operating Budget Effect: There will be an increase in the operating budget of \$2,100 for fiscal year 1975-76.

5. Plan of Financing: Current Revenue

6. Long-Range Improvements: establish two additional rural fire units. (See Land Development Plan for details)

<u>Department</u>	<u>Project Title</u>					
Education	Capital Reserve Fund (E 1)					
Project	Grants	Prior	<u>Budget Year</u>			
Estimate:	Available	Auth.	1973-74	1974-75	1975-76	1976-77 1977-78
Project						
Cost: \$100,000			20,000	20,000	20,000	20,000 20,000

1. Project Description

A capital reserve fund for school improvements will be established to provide adequate funds for future projects.

2. Project Justification

The transfer of Anson Junior High's 10th grade to Bowman High School will be necessary in future years. A reserve fund will minimize the need for large bond issues and will provide funds for the project.

3. Elements: \$20,000 each fiscal year - 1973-78

4. Operating Budget Effect: A sum will be allocated to the capital reserve fund for schools out of annual revenues.

5. Plan of Financing: Current Revenue

<u>Department</u>	<u>Project Title</u>					
Recreation	Maintenance (R-1)					
Project	Grants	Prior	<u>Budget Year</u>			
Estimate:	Available	Auth.	1973-74	1974-75	1975-76	1976-77 1977-78
Project						
Cost: \$17,000		0	5,000	3,000	3,000	3,000 3,000

1. Project Description

Equipment and personnel for maintenance of county recreation areas will be required.

2. Project Justification

Maintenance of the county recreation areas is necessary during summer months.

3. Elements: mowers \$1,000; additional equipment \$1,000; \$3,000 part-time salary; each additional year money is set aside for wages.

4. Operating Budget effect: the budget will increase each year by \$3,000.

5. Plan of Financing: ABC funds and tax dollars if legislation approves recreation to be a necessary expense.

<u>Department</u>	<u>Project Title</u>
Recreation	Landfill Park (R 2)
Project	Grants Prior Budget Year
Estimate:	Available Auth. 1973-74 1974-75 1975-76 1976-77 1977-78
Project	
Cost: \$190,000	\$95,000
	95,000

1. Project Description

The landfill, when completed, will be developed into a county park, which will include ballfields, playground equipment, and picnic areas.

2. Project Justification

There is a need for additional recreation areas (CFP).

3. Elements: Development (ballfields, picnic shelters, landscaping, roads, etc., \$190,000)

4. Operating Budget Effect: None

5. Plan of Financing: Land and Water Conservation Fund.
Federal share: \$95,000; County Share: \$95,000.

<u>Department</u>	<u>Project Title</u>
Mental Health	
Department	New location for the Yadkin-Pee Dee Mental Health Clinic (MH 1)
Project	Grants Prior Budget Year
Estimate:	Available Auth. 1973-74 1974-75 1975-76 1976-77 1977-78
Project	
Cost: \$5,000	5,000

1. Project Description

Provide a new location for the Mental Health Clinic

2. Project Justification

The Mental Health Clinic is presently operating with inadequate office space, parking and general facilities. Also, plans for future expansions had to be berminated when the hospital acquired over one-half of the present facility to house a new surgeon.

3. Elements: Renovation of an existing structure in the Wadesboro downtown area.

4. Operating Budget Effects: Increase by \$5,000, 1974-75

5. Plan of Financing: Current Revenues

ENVIRONMENTAL CONSIDERATIONS

The following effects on the environment are based on the assumption that the complete list of improvements proposed in this budget will be accomplished.

A. Adverse Effects:

- Reduction of natural vegetation
- Increase in rain water run-off
- Increase of wastewater effluent
- Increase the building of substandard structures

B. Beneficial Effects:

- Preservation of open space
- Proper treatment of wastewater effluent
- Control the building of future structures and inspection of existing structures

The alternative to this budget would be haphazard and unplanned purchase of improvements. This could result in failure to meet the needs of the people or improper use of public funds through impulsive or chance purchases.

The adoption and implementation of this budget will mitigate the adverse environmental effects of required improvements.

